

acquiring the said road, property and franchises by purchase, as aforesaid, may issue new bonds having twenty years or more, in their discretion, to run, to an amount not exceeding four hundred thousand dollars, and bearing interest at the rate of six per cent. per annum, and may secure the payment of the same by a new mortgage upon the said road, and all the property, effects and franchises of the said company, which said new bonds shall be used exclusively in exchange for the said outstanding first mortgage bonds of the said Eastern Shore Railroad Company of like amount, or to provide the means to enable the said company, as reorganized, to redeem and discharge said outstanding first mortgage bonds, and for no other purpose whatsoever.

May issue new bonds.

SEC. 2. *And be it enacted*, That the capital stock of the Eastern Shore Railroad Company, as reorganized, shall be four hundred and fifty thousand dollars, and shall be designated as preferred stock and common stock, and divided into shares of twenty-five dollars each, to be issued and paid for as hereinafter directed; and the said company, as reorganized, may issue certificates of preferred stock and of common stock under its corporate seal, signed by its president and countersigned by the treasurer thereof, which certificates shall, on their face, express that they are issued by the said company, as reorganized; said company may issue as many shares of preferred stock as will be equal in amount to the outstanding overdue coupons on the said first mortgage bonds of the said Eastern Shore Railroad Company, and may receive in payment therefor the said overdue coupons on said first mortgage bonds when presented in sums of twenty five dollars, or any multiple thereof; they may also issue as many additional shares of preferred stock as may be equal in amount to twenty-five per cent. of the principal of the second mortgage bonds of the said Eastern Shore Railroad Company (coupons not to be included), and may receive in payment therefor such second mortgage bonds; the said company, as reorganized, may also issue as many shares of common stock as may be equal in amount to seventy-five per cent. of the principal or face value

Capital stock.

Issue preferred stock.